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NOTICE¹

Pursuant to the "Open Public Meetings Act", N.J.S.A. 10:4-6 et seq., the New Jersey Board of Public Utilities ("Board") hereby gives notice of a Public/Stakeholder Meeting being attended by the Board's Commissioners regarding:

**THE POSSIBLE IMPLEMENTATION OF A
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)
FOR WATER AND WASTEWATER UTILITIES
BPU Docket No. WO10090655**

August 25, 2011 at 10 a.m.
Multi-Purpose Room
44 South Clinton Avenue
Trenton, NJ

The Board has directed its staff to engage in a stakeholder process to determine whether a possible rulemaking is in order to implement a Distribution System Improvement Charge ("DSIC") for water and wastewater utilities. This notice is designed to solicit verbal input from those who have previously provided written and/or verbal comments as well as others in the general public wishing to provide comments. For the purpose of this proceeding, a DSIC is a mechanism that would allow a water or wastewater utility to use a clause to recover the costs of certain non-revenue producing infrastructure improvements based on self-implementing filings submitted to the Board.

The general parameters being considered and for which the Board is seeking comments on are as follows:

- The DSIC program would be limited to regulated water utilities and not extended to regulated wastewater utilities.
- The DSIC program would sunset after five (5) years unless the Board takes action prior to the expiration period.

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- The DSIC program would be limited to a 5% cap based on revenues between rate cases, for spending during the DSIC period.

A Foundational Filing would be required in order to implement a DSIC. The filing would include, but is not limited to, the DSIC-eligible projects, spending and time frame. The initial Foundational Filing would require Board approval and establish the cap amount in dollars.

- DSIC rate changes can occur no sooner than six (6) months between DSIC rate changes.
- DSIC eligible items would consist of: (a) water main replacement and rehabilitation; (b) water main cleaning and lining; (c) valve and hydrant replacement; and (d) unreimbursed utility relocation costs associated with relocations required by governmental entities.
- A regulated water utility would be required to have had a rate case completed (i.e., rates effective) within the prior three (3) years in order to apply for a DSIC. In addition, a regulated water utility would be required to file for a rate case within three (3) years of having DSIC rates in effect.

While a court reporter will be present to transcribe the comments, this is not a formal public hearing. This is an informal stakeholder process designed to solicit input from members of the public.



Kristi Izzo
Secretary of the Board

Dated: August 15, 2011